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C O N F I D E N T I A L SECTION 01 OF 02 BEIJING 004107

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E.O. 12958: DECL: 06/19/2032

TAGS: PGOV PINR SOCI CH TW

SUBJECT: TAIWAN SCHOLARS CITE DANGERS OF DETERRENT
ESCALATION, "EXTREME ACTS" IN CROSS-STRAIT RELATIONS

Classified By: Acting Political Counselor Susan Thornton.
Reasons 1.4 (b/d).

Summary

¶1. (C) In a series of recent meetings, Beijing-based Taiwan experts acknowledged that the Chinese Government believes the next year is a "period of high danger" in cross-Strait relations and warned that Chen Shui-bian may resort to extreme measures to assure a DPP electoral victory. They expressed concern over Chen's stated plans to hold a referendum on Taiwan's entry to the UN and criticized the "demagoguery of Taiwan's politics," but said Beijing would continue to refrain from commenting on the election campaign.

Several experts dismissed near-term concerns about Chen, however, judging that his weakened position and lame duck status would prevent him from causing any serious trouble. One influential scholar, Xu Shiquan (protect) of the Taiwan Studies Association, said that the biggest problem is cross-Strait mutual deterrence and its contribution to escalation of tensions in the region. He said that former President Jiang Zemin's proposal to reduce missile deployments opposite Taiwan "has not been closed and should be discussed." Another scholar pointed to rising Taiwanese identity as upsetting the cross-Strait strategic balance and status quo. End summary.

Desperate Moves

¶2. (C) During recent meetings with Poloffs in Beijing, well-known Taiwan scholars commented on the current state of cross-Strait relations and assessed the upcoming Taiwan elections and their likely impact on cross-Strait and U.S.-China relations. Several contacts, including Taiwan Affairs Office (TAO) Deputy Director General Li Li and CASS's Tao Wenzhao (protect), warned that the DPP's "desperation" to hang on to power in next spring's presidential election would drive the party to do increasingly "irresponsible" things, both domestically and across the Strait. Chen Shui-bian and his "deep green" supporters are "radical" and will stop at nothing to prevent a KMT victory, including possibly resorting to violence, warned Guo Zhenyuan (protect), Senior Research Fellow at the MFA-affiliated China Institute of International Studies (CIIS). TAO's Li stated that Chen is concerned foremost about protecting his own personal interests (referring to corruption allegations brought against Chen and his family) and second about his political legacy. If a DPP candidate wins the election, Chen will have a measure of certainty on both these counts, he asserted.

¶3. (C) Sun Keqin (protect), Director of the Center for Taiwan-Related Studies at the China Institute of Contemporary International Relations (CICIR), separately told Poloffs that Chen Shui-bian and the DPP believe that actions moving Taiwan

closer to independence will win them votes, meaning that the DPP will increasingly play the "China and independence cards" as the election nears. Taiwan's politics are chaotic and polarized, Sun asserted, claiming that "anything is possible" during the election campaign. Separately, Jin Canrong (protect), Associate Dean of Renmin University's School of International Studies, thought Chen Shui-bian might be motivated to adopt a "provocative" stance vis-a-vis the Mainland in order to distract attention from his corruption-related scandals.

Shifting Mainland Views on Taiwan

¶4. (C) Other contacts described a shift in the Mainland's approach to Taiwan as another factor worth watching over the coming year. According to Renmin University's Jin, China's policy since May 2004 had been to be more "proactive" on Taiwan by employing a series of "carrots and sticks," with a clear emphasis on carrots. Since the end of 2006, however, Beijing appears to have stopped relying solely on a "smiling face" in dealing with cross-Straits issues, instead adopting a more "sophisticated" approach aimed at both Taipei and Washington. Evidence of this shift, Jin said, included China's unveiling of its new J-10 fighter in December 2006, the surfacing of a PRC submarine near the USS Kitty Hawk and China's Anti-satellite (ASAT) test earlier this year. CIIS's Guo believed that a "majority" of Mainlanders still favor a "peaceful" approach of maintaining the status quo as defined by Beijing, but acknowledged that there are voices in virtually every sector, age group and strata of Chinese government and society advocating for a more assertive approach on Taiwan. Ironically, PLA uniformed officers are not the most aggressive advocates of a hard line, Guo stated, claiming that civilians at China's National Defense

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University, for example, are much more "hawkish" than China's military officers.

Dangers of Escalating Mutual Deterrence

¶5. (C) Influential Taiwan scholar Xu Shiquan (protect) of the Taiwan Studies Association dismissed the Government's concerns about possible moves by Chen Shui-bian, stating that Chen's position is weak and he is a lame duck. Xu said he was focused on the legislative yuan elections, because if the KMT has control of the LY, even if a DPP candidate wins the Presidency, he will be hamstrung in what he can accomplish. Xu stated that the biggest problem in cross-Straits stability is the "trend in mutual deterrence, which is contributing to escalation of tensions in the region." This escalation must be discussed, Xu stated, and brought under some kind of manageable framework. Increased tensions from mutual deterrence are not only dangerous, but make it very difficult to build relations and mutual trust. Xu said Jiang Zemin's proposal to President Bush at Crawford regarding withdrawal of missiles across from Taiwan "is not closed and should be discussed."

Concern Over Long-Term Trends

¶6. (C) Two other scholars expressed concern that long-term trends, particularly the rise in a separate Taiwanese identity, will complicate cross-Straits relations for the foreseeable future, regardless of who wins next year's presidential election. CICIR's Sun Keqin and his deputy Niu Xinchun (protect) both cited polling data which, they claimed, shows that a majority of Taiwanese support independence, either now or at some future date, including those who currently support the status quo as a means of eventually achieving independence. This development of a separate, non-Chinese, Taiwanese identity that desires independence, Sun and Niu warned, could completely upset the

cross-Straits "strategic balance." Given the dramatic shift that has occurred in Taiwan under just seven years of DPP rule, another DPP victory next spring would only "inflame" matters. This trend also causes some Chinese to question whether the status quo, which is already shifting, can be maintained for the long term, Niu argued.

¶7. (C) Renmin University's Jin and Taiwan Studies Institute Director Yu Keli (protect) separately agreed that the rise in Taiwanese identity is an important issue worth tracking but asserted that, no matter who wins Taiwan's election, the cross-Straits situation will improve as Taiwan's new leadership almost certainly will be more pragmatic than Chen Shui-bian. Yu expressed concerns, however, over the polarization of politics in Taiwan and said he believed that it would be quite some time before any quasi-official dialogue between the Mainland and Taiwan would take place.

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